

ORIGINAL

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

JUL 26 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

Applications for Consent to the Transfer )  
of Control of Licenses and Section 214 )  
Authorizations from Ameritech Corporation, )  
Transferor, to SBC Communications, Inc., )  
Transferee )

CC Docket No. 98-141

REPLY COMMENTS OF  
RHYTHMS NETCONNECTIONS INC.

Jeffrey Blumenfeld  
Vice President and General Counsel  
Rhythms NetConnections Inc.  
6933 South Revere Parkway  
Englewood, CO 80112  
303.476.2222  
303.476.5700 fax  
<jeffb@rhythms.net>

Glenn B. Manishin  
Christy C. Kunin  
Stephanie A. Joyce  
Blumenfeld & Cohen – Technology Law Group  
1615 M Street, N.W., Suite 700  
Washington, D.C. 20036  
202.955.6300  
202.955.6460 fax  
<glenn@technologylaw.com>

Dated: July 26, 1999

No. of Copies rec'd 048  
List A B C D E

## SUMMARY

The overwhelming weight of the comments in this proceeding is that the Commission's stated goals for the conditions to this merger, which in principle are pro-competitive, have been thwarted by SBC's Proposed Conditions. Where the Commission intended to safeguard local competition and erect barriers to potential anticompetitive behavior by SBC/Ameritech, the Proposed Conditions are instead a set of minimal obligations, with wide loopholes that will defeat the Commission's intentions at every turn. Even the Commission's requirement of separate affiliates for retail advanced services is rendered ineffectual by SBC's proposed implementation, which honors structural separation mainly with exceptions. The Commission clearly never intended to approve such weak and discriminatory conditions as those that SBC has fashioned. Rhythms is confident that the Commission will substantially revise SBC's Proposed Conditions and create a workable set of merger conditions that is demanding where necessary and fair throughout.

In order to achieve this result, the Commission should adopt a plan that has been endorsed by the majority of commenters. *First*, the Commission should adopt a "fix-it-first" approach, wherein SBC/Ameritech must, as a pre-condition to merger approval, implement those conditions that are most crucial to preserving local competition within its region, the foremost being the creation of truly separate affiliates for advanced services. *Second*, the Commission should mandate implementation of its advanced services affiliate concept according to the Commission's "maximum separation" rules modeled on Section 272 of the 1996 Act. *Third*, the Commission should state explicitly that any further rulemaking by the Commission, especially with respect to advanced services, will bind SBC/Ameritech and will supercede these conditions where inconsistent. *Finally*, the Commission should order SBC/Ameritech to provide access to

crucial facilities for advanced services provisioning, including line sharing, collocation, loops and loop qualification information, in a timely and efficient manner and at TELRIC forward-looking, cost-based rates.

By adopting this four-part approach to this merger, the Commission will achieve a result that is simple, unequivocal, and thus much easier to monitor than the SBC proposal. In addition, as many have suggested, by inviting interested parties to participate in discussing and finalizing these merger conditions, the Commission will ensure that the conditions are clear to SBC/Ameritech, as well as to its competitors, so that compliance will be more efficient and less contentious. This merger, which is the largest the Commission has yet faced, warrants a cautious, thoughtful approach in order to preserve the progress that local competition has achieved and to encourage its development well after SBC/Ameritech merger closure.

## **TABLE OF CONTENTS**

SUMMARY .....	i
INTRODUCTION .....	1
DISCUSSION .....	2
I.    THE COMMISSION SHOULD ADOPT A “FIX-IT-FIRST” APPROACH REQUIRING ESTABLISHMENT OF A TRULY SEPARATE ADVANCED SERVICES AFFILIATE AS A PRE-CONDITION OF THIS MERGER .....	2
A.    The Proposed Structural Separation Conditions Fail to Create Fully Separate Affiliates .....	3
B.    The Record Strongly Supports the Adoption of “Maximum Separation” Rules Modeled on Section 272 .....	5
C.    The Commission’s Adoption of a Separate Affiliate Requirement in These Conditions Does Not Preclude Further Rulemaking in Related Proceedings .....	7
II.   THE RECORD IS CLEAR THAT LOOP “CONDITIONING” CHARGES PROPOSED BY SBC ARE ABSURDLY EXCESSIVE AND MUST BE SIGNIFICANTLY REVISED TO REFLECT TELRIC COST-BASED PRICING .....	9
A.    The Conditions Must Require Any Nonrecurring Charges for Removal of Interfering Devices to be Based on TELRIC Forward-Looking Cost-Based Rates .....	10
B.    The Nonrecurring Charges Proposed by SBC Are Grossly in Excess of Costs and Are Anticompetitive .....	12
III.  SBC MUST PROVIDE LINE SHARING TO ALL CLECs AS SOON AS IT OFFERS LINE SHARING TO ITS ADVANCED SERVICES AFFILIATE .....	14
A.    SBC Must Adhere to the Basic Nondiscrimination Principle That It Must Treat Its Affiliate in the Same Manner as It Treats All Other CLECs .....	15
B.    Because Line Sharing is Proven Technically Feasible, SBC Must Provide it to All Requesting CLECs .....	16

C.	SBC Rates for Line Sharing Must Reflect TELRIC Cost-Based Principles Attributed to Provision of DSL Services Over an In-Service Voice Loop .....	17
IV.	SBC MUST PROVIDE LOOP QUALIFICATION INFORMATION TO ALL DATA CLECS VIA AN ELECTRONIC, REAL-TIME INTERFACE .....	18
A.	Parties Agree That the Conditions Do Not Provide Adequate Access to Crucial Loop Information .....	19
B.	CLECs Must Obtain Comprehensive Loop Qualification Information from SBC in a Timely, Efficient EDI Format .....	21
V.	THE PROPOSED CONDITIONS DO NOT ENSURE SBC/AMERITECH COMPLIANCE WITH THE COMMISSION’S COLLOCATION RULES .....	22
CONCLUSION .....		26

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Applications for Consent to the Transfer	)	
of Control of Licenses and Section 214	)	CC Docket No. 98-141
Authorizations from Ameritech Corporation,	)	
Transferor, to SBC Communications, Inc.,	)	
Transferee	)	

**REPLY COMMENTS OF RHYTHMS NETCONNECTIONS INC.**

Rhythms NetConnections Inc. and the ACI Corp. family of subsidiaries (collectively "Rhythms"), by its attorneys, submit these reply comments pursuant to the Commission's invitation for comment on the proposed merger conditions ("Proposed Conditions")<sup>1</sup> submitted by SBC Communications, Inc. ("SBC") in connection with its pending merger with Ameritech Corporation ("Ameritech").

**INTRODUCTION**

The great majority of commenters in this proceeding agree that SBC's Proposed Conditions are a faulty implementation of the Commission's goals for safeguarding competition in the telecommunications market after closure of the SBC/Ameritech merger.<sup>2</sup> The Commission's exhortations to SBC and Ameritech to propose a merger plan that will serve the public interest have been ignored.<sup>3</sup> As perhaps best stated by NorthPoint, "[a]lthough the

---

<sup>1</sup> *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Ameritech Corporation, Transferor, to SBC Communications, Inc., Transferee*, CC Docket No. 98-141, Proposed Conditions to FCC Order Approving SBC/Ameritech Merger (July 1, 1999) ("Conditions").

<sup>2</sup> ALTS Comments at 1-2; AT&T Comments at 1; CompTel Comments at 1; Covad Comments at 1-2; CTC Comments at 1; Focal Comments at 1-2; MCI WorldCom Comments at 1-2; NextLink Comments at 3; NorthPoint Comments at 2-4; Sprint Comments at 3-4; WinStar Comments at 2-3.

<sup>3</sup> Letter from Chairman Kennard to Mr. Richard Notebaert, Chairman and CEO of Ameritech, and Mr. Edward Whitacre, Jr., Chairman and CEO of SBC Communications, CC Docket No. 98-141 (Apr. 1, 1999).

fundamental conditions outlined in the Staff Summary represent a major breakthrough in promoting the deployment of competitive services to consumers,” the “draft submitted by SBC/Ameritech” clearly does not “ensure that the goals in the outlined conditions are achieved.”<sup>4</sup>

The Commission retains the authority and responsibility to replace SBC’s proposal with conditions that will properly implement the public policy goals that it expected SBC to protect. As Sprint recognizes, “it is unwise if not illegal to allow the SBC package to frame the debate.”<sup>5</sup> Thus, the Commission should reject the Proposed Conditions and look to the commenters – who will be materially affected by the outcome of this proceeding – for a fresh perspective on the issues arising from this merger. The record includes several alternative proposals for merger conditions that reflect a common theme: a simple regulatory framework governing SBC/Ameritech behavior both before and after closure of the merger. The Commission should rely on this proposed framework as a vehicle for drafting merger conditions that will protect the public interest and continue to preserve the benefits of competition for all American consumers.

## DISCUSSION

### **I. THE COMMISSION SHOULD ADOPT A “FIX-IT-FIRST” APPROACH REQUIRING ESTABLISHMENT OF A TRULY SEPARATE ADVANCED SERVICES AFFILIATE AS A PRE-CONDITION OF THIS MERGER**

The most expeditious and effective way that the Commission can cure the significant defects in SBC’s Proposed Conditions is to adopt a “fix-it-first” approach<sup>6</sup> for the

---

<sup>4</sup> NorthPoint Comments at 6; *accord*, Rhythms Comments at 1-4. Although Rhythms and NorthPoint may disagree on whether the Proposed Conditions should be replaced or merely revised, both DSL firms agree that the Commission’s basic principles of structuring separation and competitive parity for advanced wireline services are crucial.

<sup>5</sup> Sprint Comments at 6.

<sup>6</sup> As Rhythms noted in its initial comments, the “fix-it-first” approach is consistent with the general practice of the Department of Justice in reviewing Hart-Scott-Rodino Act mergers.” Rhythms Comments at 5.

SBC/Ameritech merger. A great number of commenters, including Rhythms,<sup>7</sup> ALTS,<sup>8</sup> MCI WorldCom,<sup>9</sup> Sprint,<sup>10</sup> and Level 3,<sup>11</sup> have separately proposed this plan as the best insurance that SBC/Ameritech will not have broad potential for anticompetitive behavior in the advanced services market. “Fix-it-first” would require SBC/Ameritech to establish a fully functional and wholly separate affiliate for its retail advanced services *prior to* Commission approval of the merger. Further, this approach will require SBC/Ameritech to adhere to Commission “maximum separation” rules that by their structure force SBC/Ameritech to treat its affiliates in the same manner as it treats all non-affiliated CLECs.

**A. The Proposed Structural Separation Conditions  
Fail to Create Fully Separate Affiliates**

The Proposed Conditions have been roundly criticized by virtually all commenters for their faulty implementation of the Commission’s separate affiliate concept for advanced services.<sup>12</sup> The glaring flaws in the SBC-proposed separation conditions include: their rapid expiration;<sup>13</sup> their unduly long “transition” period; the distinct lack of separation of capital and operations between SBC and affiliate(s);<sup>14</sup> and the potential for anticompetitive cross-subsidization between SBC and affiliate(s).<sup>15</sup> In effect, as CompTel correctly states, “[t]he

---

<sup>7</sup> Rhythms Comments at 5-6.

<sup>8</sup> ALTS Comments at 3.

<sup>9</sup> MCI WorldCom Comments at 42.

<sup>10</sup> Sprint Comments at 2.

<sup>11</sup> Level 3 Comments at 3. *See also* Cable & Wireless USA Comments at 3-4; PCIA Comments at 2.

<sup>12</sup> Rhythms Comments at 13-22; ALTS Comments at 17-20; AT&T Comments at 18, 53-71; CompTel Comments at 20-29; Focal Comments at 10; MCI WorldCom Comments at 41-43; NorthPoint Comments at 7-8; Sprint Comments at 23-26.

<sup>13</sup> Rhythms Comments at 16-18; Covad Comments at 3; ALTS Comments at 18; NorthPoint Comments at 10-11.

<sup>14</sup> Rhythms Comments at 19-21; CompTel Comments at 20-21; Covad Comments at 54; NorthPoint Comments at 8-9; Sprint Comments at 19-20.

<sup>15</sup> Rhythms Comments at 30-31; AT&T Comments at 68-69; MCI WorldCom Comments at 43. *See also* ALTS Comments at 19.

relationships permitted between SBC/Ameritech and its ‘separate’ affiliate show that these two entities are virtually the same[.]”<sup>16</sup>

The Commission should therefore reject SBC’s proposed separate affiliate “obligations” for their failure to reflect the most important characteristic of a separate affiliate: that it be organizationally and operationally *separate*. In addition, the Commission should reject the overly generous “transition” and “grace” periods in the Proposed Conditions that permit SBC to delay the transfer of operations and facilities for a period of several months.<sup>17</sup> In their place, the Commission should require SBC/Ameritech to create fully separate affiliates for the provision of advanced services as a pre-condition to their merger. By making this requirement a pre-condition of merger, the Commission will give SBC/Ameritech far greater incentive to form separate affiliates. This case is definitely one in which the carrot will be more powerful than the stick. For, as ALTS aptly notes, “the history of post-merger compliance has not been good.”<sup>18</sup>

In light of the scale of this merger, as well as past unhappy experience with the ineffectual conditions to the Bell Atlantic-NYNEX merger,<sup>19</sup> the Commission should impose the advanced services affiliate requirement on SBC and Ameritech as a condition precedent to merger approval in order best to ensure a vibrant and competitive advanced services market. This requirement should have no sunset provision (or at least should require Commission approval prior to sunset) in order that the pro-competitive benefits of the separate affiliate requirement not be reversed by SBC’s subsequent liquidation of its affiliates.

---

<sup>16</sup> CompTel Comments at 21.

<sup>17</sup> Conditions ¶¶ 31a.-f.

<sup>18</sup> ALTS Comments at 3.

<sup>19</sup> “Particularly in light of its experience from the Bell Atlantic-NYNEX merger – in which Bell Atlantic made a series of paper promises that subsequently generated no additional competition and lots of additional litigation – AT&T concluded that it was exceedingly unlikely that conditions that adequately addressed the anticompetitive consequences of the ABC-Ameritech merger could be crafted[.]” AT&T Comments at 4; *accord*, Rhythms Comments at 6.

**B. The Record Strongly Supports the Adoption of “Maximum Separation” Rules Modeled on Section 272**

The bare requirement of an advanced services affiliate without a specific structure would not cure the substantial deficiencies of SBC’s Proposed Conditions. Rather, a firm set of separations criteria is necessary to define for SBC/Ameritech the parameters that will govern the formation and the behavior of its affiliates. To that end, several parties have urged the Commission to apply the affiliate separation requirements of Section 272 of the 1996 Act in creating the separate affiliate requirement for SBC/Ameritech.<sup>20</sup>

In adopting separation rules based on Section 272, the Commission in effect is merely extending the judicially-upheld separation criteria it adopted in the *Non-Accounting Safeguards* proceeding.<sup>21</sup> The Commission adopted these criteria “to govern entry by the Bell Operating Companies (BOCs) into certain new markets,”<sup>22</sup> and specifically “to protect competition in those markets from the BOCs’ ability to use their existing market power in local exchange services to obtain an anticompetitive advantage in those new markets the BOCs seek to enter.”<sup>23</sup> According to the Commission, these structural safeguards stem from Congress’s intent in the 1996 Act “to accelerate rapidly private sector deployment of *advanced telecommunications* and information technologies and services to all Americans by opening *all telecommunications markets* to competition.”<sup>24</sup>

---

<sup>20</sup> Rhythms Comments at 14-15; ALTS Comments at 18-19; CompTel Comments at 22; Sprint Comments at 25; MCI WorldCom Comments at 42 (urging the Commission to adopt Section 272 directives as well as additional competitive safeguards).

<sup>21</sup> See, e.g., *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended*, CC Docket No. 96-149, First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd. 21,905 (1996) (“*Non-Accounting Safeguards Order*”).

<sup>22</sup> *Non-Accounting Safeguards Order*, 11 FCC Rcd. at 21,908 ¶ 2.

<sup>23</sup> *Id.* at 21,910 ¶ 6.

<sup>24</sup> *Non-Accounting Safeguards Order*, 11 FCC Rcd. at 21,907 ¶ 1, quoting Joint Statement of Managers, S. Conf. Rep. No. 104-230, 104<sup>th</sup> Cong., 2d Sess. 1 (1996) (emphasis added). Thus, contrary to Sprint’s suggestion that “[a]s an initial matter, the Section 272 safeguards are designed to be implemented only after extensive market-

*footnote continued on next page*

Under Rhythms' "fix-it-first" approach, these maximum separation rules are of utmost importance. If SBC/Ameritech establishes advanced services subsidiaries without complete structural separation, it could complete its entire DSL rollout by putting the subsidiaries first in line for all necessary DSL facilities, including loops and collocation, thereby artificially subsidizing the affiliates' market entry. This result would entirely circumvent the purpose for separate affiliate requirement in the first instance. For example, without these maximum separation rules, SBC/Ameritech could perform all collocation build-out on its own premises on behalf of its affiliates. This build-out will in all likelihood take all precedence ahead of CLECs that have applied or will apply for collocation space on SBC and Ameritech premises, thus giving the affiliates valuable collocation space that would have been taken by CLECs. In addition, all collocation costs could be absorbed by SBC/Ameritech, relieving the affiliates of the greatest financial outlay that CLECs presently face in entering the market. The final result would be a "separate" affiliate for whom the parent company organized, completed and subsidized advanced services deployment. Section 272 separation rules will prevent SBC/Ameritech from favoring its affiliates in this way.

Therefore, the Commission should adopt separation criteria modeled on Section 272 and the *Non-Accounting Safeguards* rules in order to mitigate parties' significant competitive concerns arising from the relationship between SBC/Ameritech and its advanced services affiliates.<sup>25</sup>

---

opening requirements of Section 271 have been met," Sprint Comments at 20 (citation omitted), these criteria patently apply to SBC/Ameritech advanced services affiliates and are properly applied in these conditions.

<sup>25</sup> Rhythms has included in its Proposed Alternative Merger Conditions (Rhythms Comments, Attachment A) the list of separation criteria that the Commission should apply in this case.

**C. The Commission's Adoption of a Separate Affiliate Requirement in These Conditions Does Not Preclude Further Rulemaking in Related Proceedings**

In adopting the advanced services affiliate requirement, the Commission should reject the objections, raised largely by voice CLECs, that such a requirement “prejudges” the regulatory status of these affiliates.<sup>26</sup> The voice CLECs object to the affiliate requirement not for its concept, but instead for two provisions that SBC has included: (1) that “[t]he separate Advance [*sic*] Services Affiliates required by this Section shall be regulated by the FCC as non-dominant carrier(s) with respect to the provision of Advanced Services;”<sup>27</sup> and (2) that “[s]uch separate affiliate(s) shall not be deemed a successor or assign of a BOC for purposes of applying 47 U.S.C. § 153(4)(A).”<sup>28</sup> In effect, these codicils would exempt SBC/Ameritech affiliates from all tariffing requirements and unbundling obligations under the 1996 Act.

On the basis of these provisions, voice CLECs argue that the entire advanced services affiliate concept must be rejected,<sup>29</sup> or deferred until further Commission rulemaking in the *Advanced Services* docket.<sup>30</sup> Sprint, for example, is concerned that “the proposal prejudices issues not yet decided by the Commission and may ultimately ‘lock-in’ an outcome, such as non-dominant regulation for the affiliate, more favorable to SBC than that decided for other ILECs subject to any subsequent rulemaking[.]”<sup>31</sup> Due to this concern, Sprint advocates that “SBC’s proposal for establishing an advanced services affiliate . . . should therefore be scrapped in its entirety.”<sup>32</sup>

---

<sup>26</sup> CompTel Comments at 23; AT&T Comments at 72-73; MCI WorldCom Comments at 40-42; Level 3 Comments at 10-11; NextLink Comments at 9-10.

<sup>27</sup> Conditions ¶ 36.

<sup>28</sup> Conditions ¶ 28.

<sup>29</sup> Sprint Comments at 21; NextLink Comments at 9-10.

<sup>30</sup> MCI WorldCom Comments at 4.

<sup>31</sup> Sprint Comments at 20.

<sup>32</sup> Sprint Comments at 21.

Although Rhythms shares the voice CLECs' concerns that SBC's proposal would grant SBC/Ameritech a wholesale "bye" on all Section 251 unbundling obligations, these arguments incorrectly throw the baby out with the bathwater. These parties fault the Commission for SBC's faulty implementation of the affiliate requirement. The Commission can and should use its leverage in the merger approval process to impose a structural separation requirement now, while making SBC/Ameritech subject to whatever advanced services affiliate rules may eventually be adopted in the *Advanced Services* proceeding.<sup>33</sup> The Commission can thus easily make clear that SBC must not use the privilege of merger approval as a means of evading federal obligations.

The Commission's decision to mandate SBC/Ameritech separate affiliates is sound and well-conceived. The Commission has a substantial record, both in the *Advanced Services* docket and in this proceeding, upon which to conclude that separate affiliates for all SBC/Ameritech advanced services is in the public interest. Thus, the Commission can, as some parties have proposed,<sup>34</sup> impose the separate affiliate requirement in these conditions without "prejudging" its later decision on nondominant status for SBC/Ameritech affiliates.

Even if the Commission were to approve conditions that granted nondominant status to SBC/Ameritech affiliates, nothing in administrative law or Commission precedent precludes the Commission from later adopting an industry-wide separate affiliate regime under which SBC/Ameritech would no longer qualify for that status. In its August 7, 1998 *Memorandum Opinion and Order and NPRM*, the Commission tentatively proposed a set of criteria for determining whether an affiliate was truly separate, and thus whether the affiliate could obtain

---

<sup>33</sup> The Commission has tentatively concluded that ILECs may achieve nondominant status for advanced services if they establish fully separate affiliates for their advanced services retail operations. Final Commission decision on this tentative conclusion remains pending. *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, Memorandum Opinion and Order and Notice of Proposed Rulemaking, FCC 98-188 ¶¶ 92-94 (rel. Aug. 7, 1998) ("*Advanced Services MO&O and NPRM*").

nondominant status.<sup>35</sup> The Commission could, as the great majority of parties in that proceeding have urged, adopt those criteria subsequent to approval and implementation of the SBC/Ameritech merger. These criteria, adopted in a rulemaking of general applicability, would certainly apply to SBC/Ameritech because, as ALTS has stated,<sup>36</sup> merger-specific conditions should not and cannot supercede federal law.

Therefore, the Commission should not hesitate in adopting a separate affiliate requirement specific to SBC/Ameritech in the context of this merger. In order to assuage the voice CLECs' concerns about the regulatory status of SBC/Ameritech affiliates, the Commission should include explicit language in the conditions that states that any subsequent Commission rulemaking regarding affiliate regulatory status will govern SBC/Ameritech affiliates.

## **II. THE RECORD IS CLEAR THAT THE LOOP "CONDITIONING" CHARGES PROPOSED BY SBC ARE ABSURDLY EXCESSIVE AND MUST BE SIGNIFICANTLY REVISED TO REFLECT TELRIC COST-BASED PRICING**

SBC's proposed loop "conditioning" nonrecurring charges ("NRCs") are, according to the overwhelming opinion of commenters, entirely unjustified and outrageously high.<sup>37</sup> These proposed charges represent residual costs of upgrading the embedded network that no CLEC should have to bear. In large part, loop "conditioning" is necessary only due to SBC's and Ameritech's substandard network deployment, under which obsolete analog equipment remains installed on loop plant without regard to any current utility. The Commission should therefore reject these proposed rates, as well as the notion that loop "conditioning" is proper even in the

---

<sup>34</sup> AT&T Comments at 72-73; ALTS Comments at 20; CompTel Comments at 23; NorthPoint Comments at 9-10.

<sup>35</sup> *Advanced Services MO&O and NPRM* ¶¶ 92-115.

<sup>36</sup> "The Commission needs to make certain that Applicants are not able to hide behind any conditions or use them as an end run around federal or state rules." ALTS Comments at 6.

hypothetical, because they are inconsistent with settled pricing principles. At the very least, the Commission should conclude that any charges imposed by SBC related to the provisioning of an xDSL-capable loop adhere strictly to the cost-based, forward-looking TELRIC rules that apply to all UNE prices.

**A. The Conditions Must Require Any Nonrecurring Charges for Removal of Interfering Devices to be Based on TELRIC Forward-Looking Cost-Based Rates**

Cost-based TELRIC pricing rules govern all nonrecurring rates for unbundled network elements (UNEs) in today's post-1996 Act environment.<sup>38</sup> Thus, as MCI WorldCom argues, “[b]efore the Commission should accept these non-recurring charges for xDSL loop conditioning, it should require SBC and Ameritech to demonstrate that they are justified under a TELRIC analysis consistent with the Commission’s rules.”<sup>39</sup> In order to satisfy TELRIC methodology, SBC’s proposed “conditioning” NRCs must reflect the least-costly, most efficient, forward-looking telecommunications network.<sup>40</sup> The record in this proceeding as well as in the *Advanced Services* docket, however, indicates that SBC’s proposed loop NRCs cannot be squared with TELRIC rules because, as succinctly stated by Sprint, “[l]oad coils, bridged taps, and repeaters are not elements of a forward-looking network.”<sup>41</sup>

As the Laemmli Declaration submitted by Sprint explains, the existing embedded network includes load coils, repeaters and bridged taps that “are there as a result of SBC design

---

<sup>37</sup> Rhythms Comments at 7-9; ALTS Comments at 14-15; AT&T Comments, Appendix A at 53; MCI WorldCom Comments at 38-40; NorthPoint Comments at 16-17; Sprint Comments at 12-19 and Declaration of Earl H. Laemmli.

<sup>38</sup> The Eighth Circuit reinstated TELRIC principles for UNEs pursuant to the Supreme Court’s remand on June 10, 1999. *Iowa Utils. Bd. v. FCC*, Cases 96-3321 *et al.*, Order (8<sup>th</sup> Cir., June 10, 1999).

<sup>39</sup> MCI WorldCom Comments at 39.

<sup>40</sup> *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, First Report and Order, 11 FCC Rcd. 15,499, 15,849 ¶ 685 (1996) (“*First Report and Order*”).

<sup>41</sup> Sprint Comments at 12.

errors, or special engineering done for a specific customer.”<sup>42</sup> Laemmli correctly concludes that “since these costs do not exist in a forward-looking network, it is inappropriate to charge a UNE non-recurring rate for their removal.”<sup>43</sup> Indeed, as Rhythms,<sup>44</sup> AT&T,<sup>45</sup> MCI WorldCom<sup>46</sup> and others have all recognized,<sup>47</sup> “[i]t is clearly not [the CLECS’] responsibility to remove deviations from the standard voice network made for another customer. Nor is it [the CLECS’] responsibility to pay to bring SBC’s network into compliance with accepted network design criteria.”<sup>48</sup> For this reason alone, SBC’s proposed loop “conditioning” NRCs should be rejected.

The Commission should also reject the proposed NRCs because the unbundling rules set forth in the *Advanced Services MO&O* did not contemplate the addition of charges for the provisioning of xDSL-capable loops.<sup>49</sup> NextLink makes the apt point that “[t]he Commission defined the loop as a facility capable of providing a range of services including advanced services such as xDSL. ILECs therefore are required to provide an unbundled loop service capable of supporting currently available services such as xDSL.”<sup>50</sup> Thus, because ILECs are obligated to provide loops capable of supporting xDSL services, they must comply with that obligation without attempting to impose new NRCs for recoupment of costs they cannot justify.

Therefore, the Commission should reject SBC’s proposed loop “conditioning” charges in these conditions and require SBC/Ameritech to provide xDSL-capable loops to all requesting CLECs under Section 251 of the 1996 Act. Indeed, as Rhythms discussed in its opening comments, the Connecticut Department of Public Utilities soundly defeated SBC’s proposed

---

<sup>42</sup> Sprint Comments, Laemmli Decl. ¶ 98.

<sup>43</sup> Sprint Comments, Laemmli Decl. ¶ 13.

<sup>44</sup> Rhythms Comments at 8.

<sup>45</sup> AT&T Comments at 53.

<sup>46</sup> MCI WorldCom Comments at 40.

<sup>47</sup> Covad Comments at 44; NextLink Comments at 32; NorthPoint Comments at 17.

<sup>48</sup> Sprint Comments, Laemmli Decl. ¶ 98.

<sup>49</sup> *Advanced Services MO&O* ¶¶ 53-55.

loop “conditioning” charges in its revised Connecticut Access Services tariff.<sup>51</sup> Likewise, as Covad notes, the Michigan<sup>52</sup> and Texas state commissions rejected loop “conditioning” costs as being inconsistent with TELRIC principles.<sup>53</sup>

At the very least, the Commission should replace SBC’s exorbitant loop “conditioning” NRCs with rates that attempt to reflect TELRIC pricing methodology. As NorthPoint states, “conditioning charges may be assessed only where conditioning work in fact is required[.]”<sup>54</sup> In keeping with this standard, Sprint has proposed alternative conditioning charges – applicable only to loops greater than 18,000 according to the network deployment rules discussed above – that are a fraction of the charges proposed by SBC.<sup>55</sup> The Commission may therefore adopt these alternative rates in the interim pending full investigation of TELRIC cost-based rates for removal of interfering devices from loops.<sup>56</sup>

**B. The Nonrecurring Charges Proposed by SBC Are Grossly in Excess of Costs and Are Anticompetitive**

SBC’s proposed loop “conditioning” NRCs do not even pretend to reflect the administration of a forward-looking telecommunications network according to the Commission’s TELRIC pricing rules. Nowhere in the Proposed Conditions does SBC assert that these charges are directly attributable to SBC’s forward-looking administration of the least costly, most efficient network. Moreover, as explained by Rhythms, they invite anticompetitive harm for

---

<sup>50</sup> NextLink Comments at 32.

<sup>51</sup> Rhythms Comments at 7.

<sup>52</sup> *BRE Communications v. Ameritech Michigan*, Case No. U-11735, Opinion and Order at 24 (rel. Feb. 9, 1999).

<sup>53</sup> Covad Comments at 47.

<sup>54</sup> NorthPoint Comments at 17.

<sup>55</sup> Sprint proposes a rate for removal of repeaters of \$68.33, for removal of bridged taps of \$11.42 and for removal of load coils of \$15.33. Sprint Comments at 14. Compare these figures to those proposed by SBC, which easily can reach or exceed \$4,630 per loop. Rhythms Comments at 7.

<sup>56</sup> Even Sprint, however, states that “to the extent that the Commission decides it lacks a basis for selecting between Sprint’s and the Applicants’ [SBC’s] proposed rates, Sprint submits that, rather than adopt the exorbitant  
*footnote continued on next page*

CLECs because the Proposed Conditions include no assurance that SBC/Ameritech advanced services affiliates will be subject to the same costs.<sup>57</sup> SBC customers are not charged the rates that SBC proposes for its CLEC competitors; SBC's federal ADSL tariffs instead include a lump sum of \$900.00 for removal of all interfering devices,<sup>58</sup> which is a fraction of the charges included in the Proposed Conditions. Thus, in order for the Commission to further its goal of opening telecommunications to competition and encouraging deployment of advanced services, SBC's proposal must be rejected, or in the alternative revised, to prevent data CLECs from suffering competitive disadvantage in the form of these "conditioning" NRCs.

The Proposed Conditions flatly suggest, without supporting data, that SBC/Ameritech should recover charges totaling \$4,620 or more per loop in payment for removal of loop devices that will interfere with DSL service.<sup>59</sup> Moreover, the conditions admit that these rates are not cost-based by further stating that "SBC/Ameritech *shall* file cost studies to replace the interim rates for these services within 6 months of the Merger Closing Date[.]"<sup>60</sup> This language provides strong proof that SBC's "conditioning" NRCs are wholly unjustified. Thus, according to Section 252 of the 1996 Act, the Commission cannot approve such rates having clear evidence before it that demonstrates that these rates are not cost-based.

SBC's loop "conditioning" rates are highly anticompetitive for two principal reasons: (1) the conditions provide no safeguard against SBC/Ameritech subsidizing these charges for its affiliates, and (2) SBC's existing DSL customers pay a fraction of the NRCs proposed for other data CLECs. Unless SBC explicitly imposes precisely the same rates on all DSL retail entities,

---

rates proposed by SBC, the Commission would do less harm if it deleted all language regarding interim rates for loop conditioning." Sprint Comments at 13.

<sup>57</sup> Rhythms Comments at 8-9.

<sup>58</sup> Covad Comments at 49 (citing SWBT Tariff FCC No. 73, Sections 14.7.3(A)(2) and 14.7.4(A) and (B)); Sprint Comments at 15.

<sup>59</sup> Conditions ¶ 24 and Attachment C.

both affiliate and non-affiliate alike, the Commission cannot endorse the proposed loop “conditioning” NRCs, lest it permit SBC/Ameritech affiliates to unlawfully enjoy a significant competitive advantage over other CLECs. More importantly, if SBC charges its own customers only \$900.00 for all loop “conditioning” activities, the nondiscrimination requirements of the 1996 Act prohibit the Commission from approving charges for CLECs that are far greater.<sup>61</sup> For all these reasons, the Commission should reject, or in the alternative significantly decrease to TELRIC rates, SBC’s proposed nonrecurring charges for loop “conditioning.”

### **III. SBC MUST PROVIDE LINE SHARING TO ALL CLECs AS SOON AS IT OFFERS LINE SHARING TO ITS ADVANCED SERVICES AFFILIATE**

The portion of SBC’s Proposed Conditions regarding line sharing, which grant line sharing to SBC/Ameritech affiliates on an exclusive basis,<sup>62</sup> must be rejected by the Commission out of hand.<sup>63</sup> As NorthPoint correctly argues, “this disparate treatment – and the attendant delay in delivering consumer broadband service competition – is neither justified by technical considerations nor consistent with the Staff Summary.”<sup>64</sup> Therefore, in accordance with basic principles of nondiscrimination, the Commission’s separate affiliate rules, and the clear record evidence that line sharing is technically feasible via industry-standard equipment, the Commission should impose on SBC/Ameritech the requirement to provide line sharing immediately to all requesting data CLECs.

---

<sup>60</sup> Conditions ¶ 24 (emphasis added).

<sup>61</sup> Sprint argues that “[a]llowing an ILEC to assess a CLEC ‘special construction charges in connection with the provisioning of an unbundled loop when, under identical circumstances, the ILEC routinely foregoes the collection of such charges from its own customers to whom it is provisioning unbundled loops,’ constitutes a violation of that ILEC’s non-discrimination obligations.” Sprint Comments at 16, quoting *BRE Communications LLC v. Ameritech Michigan*, Case No. U-11735, Opinion and Order at 30 (Mich. Pub. Serv. Comm’n, Feb. 9, 1999).

<sup>62</sup> Conditions ¶ 27.c.

<sup>63</sup> Rhythms Comments at 10-13; ALTS Comments at 20-21; CompTel Comments at 31; Covad Comments at 37-44; NextLink Comments at 33-34; NorthPoint Comments at 14.

<sup>64</sup> NorthPoint Comments at 14.

**A. SBC Must Adhere to the Basic Nondiscrimination Principle That It Must Treat Its Affiliate in the Same Manner as It Treats All Other CLECs**

The first rule of structural separation is that the separate entity be treated in the same manner as any similarly-situated entity. As the Commission concluded in the *Non-Accounting Safeguards Order*, “[t]he structural and nondiscrimination safeguard contained in section 272 ensure that competitors of the BOC’s section 272 affiliate have access to essential inputs, . . . on terms that do not discriminate against the competitors and in favor of the BOC’s affiliate. Because the BOC has the incentive to provide its affiliate with the most efficient access, the statute requires the BOC to provide competitors the same access.”<sup>65</sup> In fact, the Staff Summary of SBC’s Proposed Conditions indicated the Staff’s expectation that “the SBC-Ameritech telephone companies will treat the affiliate as they would any competitor.”<sup>66</sup>

This principle is most important with respect to the proposed conditions for line sharing.<sup>67</sup> SBC’s “wish list” proposal would give its own affiliates exclusive access to line sharing for an indeterminate period pending evaluation of its purported “technical” and “commercial” feasibility.<sup>68</sup> The Commission may not approve any condition that would give SBC/Ameritech affiliates line sharing exclusively or under terms and conditions that are more favorable than those offered to competing data CLECs. As the record in the *Advanced Services* proceeding reveals, line sharing is the key to opening the residential market to advanced services on an unprecedented level.<sup>69</sup> The Commission should not give SBC/Ameritech any “head-start”

---

<sup>65</sup> *Non-Accounting Safeguards Order*, 11 FCC Rcd. at 21, 913 ¶ 13.

<sup>66</sup> CC Docket No. 98-141, Summary of SBC/Ameritech Proposed Conditions (rel. June 29, 1999).  
<[http://www.fcc.gov/ccb/Mergers/SBC\\_Ameritech/conditions062999.html](http://www.fcc.gov/ccb/Mergers/SBC_Ameritech/conditions062999.html)>

<sup>67</sup> NorthPoint Comments at 13; Sprint Comments at 26.

<sup>68</sup> Conditions ¶ 27.c.

<sup>69</sup> *Advanced Services* proceeding, CC Docket 98-147, Rhythms Comments at 4-5; CiX Comments at 3.

in reaching these customers via an exclusive line sharing deal that violates the fundamental nondiscriminatory precepts of the 1996 Act.

**B. Because Line Sharing is Proven Technically Feasible,  
SBC Must Provide it to All Requesting CLECs**

There remains little debate from non-ILEC parties that line sharing is technically feasible.<sup>70</sup> In the context of these conditions, this conclusion is all that the Commission requires in order to mandate SBC/Ameritech line sharing immediately for all requesting CLECs.<sup>71</sup>

Rhythms therefore proposes that the Commission impose line sharing obligations on SBC/Ameritech effective immediately. To create a real incentive for compliance, the Commission should “grandfather” all SBC line sharing already in use for existing customers, prohibiting SBC from providing DSL via line sharing for any *new* customers until it makes line sharing available to requesting data CLECs. This approach will give SBC the incentive to provide line sharing immediately, because SBC could curtailed in providing residential services until it offers the same functionality to its competitors. Without this freeze, SBC will simply continue in the months preceding the merger closing to win DSL customers with its own line sharing, then taking advantage of the extremely protracted “transition” period to turn these customers over to SBC/Ameritech affiliates in a seamless transaction.<sup>72</sup> This result would obviate the Commission’s forthcoming order on line sharing altogether, because the order would come too late to ensure that line sharing provided a meaningful opportunity for CLECs to compete in the advanced services market.

---

<sup>70</sup> *Advanced Services* proceeding, CC Docket No. 98-147, Rhythms Comments at 15-16; NorthPoint Comments at 18-19; NAS Comments at 7; Covad Comments at 10-12.

<sup>71</sup> Issues of Section 251’s unbundling standards do not apply in this proceeding, as the Commission’s conditions need not be bound by the strictures of general unbundling requirements.

<sup>72</sup> SBC/Ameritech will transfer its “embedded base” of non-ISP DSL customers within 6 months after the Closing Date or within 30 days of the affiliate’s receipt of state CPCN and interconnection agreement approval, whichever is later. Conditions ¶ 31.e.

**C. SBC Rates for Line Sharing Must Reflect TELRIC Cost-Based Principles Attributed to Provision of DSL Services Over an In-Service Voice Loop**

A number of parties oppose SBC's proposed rates for line sharing because they give SBC an unlawful windfall greatly in excess of its incremental cost.<sup>73</sup> SBC proposes to charge CLECs "surrogate rates" for line sharing that equal 50 percent of SBC's lowest loop rate plus 100 percent of SBC's nonrecurring costs for the loop. Yet most of SBC's loop plant was installed years ago. In addition, all recurring charges for the loop have been fully recovered from SBC's existing voice customer, warranting no further compensation by the CLEC. These rates are patently not cost-based and must be rejected by the Commission.

Contrary to the demands of some voice CLECs,<sup>74</sup> any line sharing rates approved in these conditions are appropriately limited to the provision of advanced services. The Commission's intent in adopting line sharing is to "allow[] consumers to keep their voice service provider while allowing them to obtain advanced services on the same line from a different provider,"<sup>75</sup> not to permit voice CLECs the opportunity to obtain access to voice-grade loops for local service at a discount. To prohibit CLECs from improperly using discounted "surrogate rate" loops for voice services is not, as Sprint argues, "contrary to the public interest [and] hardly a valid use of public resources[.]"<sup>76</sup> Rather, this restriction is a simple reflection of the fact that line sharing is intrinsically the provision of data over in-service voice loops. If Sprint or any other CLEC wants to combine their own advanced and voice services on a single loop, they can easily use their exclusive control over unbundled loops to provide their own DSL services or to partner with a DSL provider. Yet CLECs should not be allowed to use line sharing as a vehicle for arbitrage of

---

<sup>73</sup> Rhythms Comments at 11-13; NorthPoint Comments at 17; Sprint Comments at 27-28; NextLink Comments at 33. *See also* ALTS Comments at 21; CompTel Comments at 32.

<sup>74</sup> Sprint Comments at 27-29; Level 3 Comments at 12.

loop rates. Rather, the Commission should mandate line sharing for CLECs that will provide advanced services, and should ensure that the rates, terms and conditions for line sharing enable them to provide these services in the same manner in which ILEC, such as SBC, presently provide them.

#### **IV. SBC MUST PROVIDE LOOP QUALIFICATION INFORMATION TO ALL DATA CLECS VIA AN ELECTRONIC, REAL-TIME INTERFACE**

The overwhelming consensus of the commenters is that SBC's proposal for offering loop information to CLECs is woefully inadequate.<sup>77</sup> Although the Commission has held that CLECs require complete loop "qualification" information on a timely basis,<sup>78</sup> the Proposed Conditions require SBC/Ameritech to provide such little and such vague loop information as to in effect require nothing at all. Merely informing CLECs, as SBC proposes, of the length category of a loop does not allow the CLEC to make an informed judgment on the capability of the loop.<sup>79</sup> Moreover, making this information available in several states up to *22 months after* Merger Closing Date will not facilitate CLEC entry into the advanced services market to any degree.<sup>80</sup> The Commission should enforce its existing requirements for ILEC provision of loop information specifically in these conditions and, in addition, should require SBC/Ameritech to develop fully automated electronic interfaces for the provision of loop information on an expedited basis. These interfaces must provide CLECs with access to all loop information that

---

<sup>75</sup> *Advanced Services FNPRM* ¶ 94.

<sup>76</sup> Sprint Comments at 29.

<sup>77</sup> Rhythms Comments at 22-25; ALTS Comments at 15-16; AT&T Comments, Appendix A at 50-51; Focal Comments at 8-9; MCI WorldCom Comments at 37-38; NorthPoint Comments at 22-23; Sprint Comments at 8-12; Level 3 Comments at 9.

<sup>78</sup> *Advanced Services MO&O* ¶ 56.

<sup>79</sup> Conditions ¶ 21.a.

<sup>80</sup> Conditions ¶ 21.b.

SBC/Ameritech have, without regard to the information that they may actually use for their own DSL services.<sup>81</sup>

**A. Parties Agree That the Conditions Do Not Provide Adequate Access to Crucial Loop Information**

MCI WorldCom,<sup>82</sup> Sprint<sup>83</sup> and Focal<sup>84</sup> have all joined Rhythms<sup>85</sup> in emphasizing that, CLECs must know several key facts about a loop in order to determine its xDSL capability. These key facts are: (1) exact loop length; (2) loop gauge; (3) the presence of load coils, repeaters, bridged taps, and digitally added main lines (“DAMLs”); and (4) whether the loop is served by digital loop carrier (“DLC”), and, if so, whether additional copper loop is available. SBC’s Proposed Conditions provide only loop length information, in only some states, by the Merger Closing Date,<sup>86</sup> and would include information on the presence of load coils, repeaters, bridged taps and DLC at some unspecified future date.<sup>87</sup> Were the Commission to adopt only these requirements, no data CLEC could compete with SBC in providing DSL services, because the CLECs would be unable to determine – without a lengthy manual process – whether DSL service is feasible on a customer’s loop. The Commission should thus mandate SBC’s and Ameritech’s provision of this information immediately, as a pre-condition to merger, simply to enforce the Commission’s loop information rules already adopted in the *Advanced Services* proceeding. As Rhythms has explained, this loop information must be provided at parity, not

---

<sup>81</sup> Rhythms’ argument in its opening comments that the Commission should enforce parity in loop qualification information, Rhythms Comments at 24 and Appendix A at A-2, requires that SBC/Ameritech grant CLECs access to all loop information that the ILEC has. SBC should not be allowed to stymie the development of different xDSL technologies by the ruse of sharing only some loop information with its advanced services affiliate. Otherwise, all CLECs would be limited to the loop information that is applicable only to the specific xDSL technology (ADSL) chosen by SBC. See *Advanced Services MO&O* ¶ 56.

<sup>82</sup> MCI WorldCom Comments at 37.

<sup>83</sup> Sprint Comments at 8-9.

<sup>84</sup> Focal Comments at 8.

<sup>85</sup> Rhythms Comments at 23.

<sup>86</sup> Conditions ¶ 21.b.

<sup>87</sup> Conditions ¶ 23.

with what SBC presently uses for its own DSL services, but with the information SBC actually has and uses regarding the characteristics of its own loops.<sup>88</sup> That is, in order to determine whether a loop is suitable for DSL services, SBC must first ascertain all the identified information: the loop length, presence of DLC, and whether any interfering devices exist on the loop. CLECs must similarly be able to determine these loop characteristics. The truncated information that SBC provides for its DSL offerings is only a subset of this data and is insufficient to provide CLECs with parity access.

In addition, the Commission should require SBC and Ameritech to provide this comprehensive loop information even for loops over which they have no plan to provision DSL services. As Focal correctly states, the commitment to provide comprehensive loop information to CLECs must be absolute.<sup>89</sup> The Commission has already squarely held that ILECs cannot hamstring CLEC deployment of competitive telecommunications services on grounds that the ILEC does not itself provide the CLEC's proposed service.<sup>90</sup> Further, the Commission's rule states that ILECs must provide loop characteristic information where they have the "capability" to do so, regardless of whether they intend to use this information for their services.<sup>91</sup> This rule is of special importance in the context of DSL services, where the ILECs have indicated their plan to conduct an extremely limited rollout of ADSL services.<sup>92</sup>

---

<sup>88</sup> Rhythms Comments at 23-24.

<sup>89</sup> Focal Comments at 6.

<sup>90</sup> *Advanced Services MO&O* ¶ 53; *First Report and Order*, 11 FCC Rcd. at 15,691-92 ¶ 381.

<sup>91</sup> "An incumbent LEC does not meet the nondiscrimination requirement if it has the capability electronically to identify xDSL-capable loops, either on an individual basis or for an entire central office, while competing providers are relegated to a slower and more cumbersome process to obtain that information." *Advanced Services MO&O* ¶ 56.

<sup>92</sup> Bell Atlantic-Pennsylvania has indicated to the Pennsylvania Public Service Commission, for example, that it will not offer DSL services to customers who reside more than 12,000, or perhaps 15,000 feet from the central office. BA-PA Statement 3.0, Rebuttal Testimony of Amy Stern (June 15, 1999).

By enforcing its existing requirements that SBC and Ameritech provide all necessary loop characteristic information to CLECs immediately and as a pre-condition to merger approval, the Commission will strongly encourage the deployment of advanced services by giving SBC the right incentive, that is, merger approval, for providing CLECs with crucial information about its loops. This information will enable CLECs to bring DSL services to American consumers in an efficient and timely fashion.

**B. CLECs Must Obtain Comprehensive Loop Qualification Information from SBC in a Timely, Efficient EDI Format**

As parties agree, CLECs require access to the loop information discussed above in a real-time format so as to serve customers in an efficient manner. That is, Rhythms must be able to access SBC/Ameritech loop information while speaking to a potential customer and obtain specific information about the loop that presently serves that customer in order to determine whether, and what kind of, DSL services are eligible for that customer. One such loop information is the Electronic Database Interface (“EDI”), which is presently the preferred interface for OSS functionality. Indeed, SBC has developed this kind of immediate access to loop information for itself as it rolls out DSL services to its voice customers.

As an initial matter, the Commission should recognize that it, as well as most parties to this proceeding, does not know precisely the mechanism that SBC and Ameritech use for obtaining information about their copper loops. The Commission should thus require SBC/Ameritech, as a pre-condition to merger approval, to provide a report detailing the interfaces and databases through which they access loop characteristic information. This report will provide the only accurate means of determining the mechanisms that SBC/Ameritech will use for obtaining loop information. The Commission should order SBC/Ameritech, also as a pre-condition of merger approval, to make this mechanism available to all requesting CLECs.

Finally, if enhancements to SBC/Ameritech's existing mechanism are required in order to achieve fully-automated, electronic access, the Commission should require SBC/Ameritech to make these interfaces available to CLECs within six months of the merger closing date. Only by imposing these strict requirements will the Commission ensure that CLECs obtain the necessary access to loop information that the Commission has already granted them.

#### **V. THE PROPOSED CONDITIONS DO NOT ENSURE SBC/AMERITECH COMPLIANCE WITH THE COMMISSION'S COLLOCATION RULES**

Several commenters recognize that SBC's proposed collocation compliance plan and related conditions do not impose sufficient requirements for SBC/Ameritech's timely and efficient provisioning of collocation facilities according to the clear mandates of the *Advanced Services Order*.<sup>93</sup> In fact, not only are the Proposed Conditions inconsistent with the unremarkable proposition that SBC/Ameritech must simply comply with current federal law,<sup>94</sup> they do little to create either incentives or penalties to ensure compliance.

Commenters discuss several flaws in the Proposed Conditions that the Commission must cure in order to ensure SBC/Ameritech's proper implementation of the *Advanced Services Order*. The first of these is the excessively long time period – 10 months, marked from Merger Closing Date<sup>95</sup> – that SBC reserves to itself for informing the Commission as to whether it has expanded its collocation offerings in compliance with Commission rules.<sup>96</sup> Second, is the

---

<sup>93</sup> Rhythms Comments at 29-30; ALTS Comments at 10-11; AT&T Comments at 29-33; Focal Comments at 8-20; MCI WorldCom Comments at 25-27; Covad Comments at 19-30; NextLink Comments at 29-30.

<sup>94</sup> "Setting aside the obvious issue as to whether a commitment to come into compliance with current law should be given any public interest weight, it is clear that as of this writing, Ameritech as not satisfied the goal of offering interconnection agreement amendments that fully incorporate the *Second Advanced Wireline Services Order*." Covad Comments at 19. "[SBC/Ameritech's] agreement to obey the law provides no basis to approve the merger or support a finding that the conditions generate substantial public interest benefits that offset the reduction in competition caused by the merger in SBC and Ameritech's regions." AT&T Comments at 25.

<sup>95</sup> Conditions ¶ 6.e.

<sup>96</sup> Rhythms Comments at 29; ALTS Comments at 11; Focal Comments at 17; MCI WorldCom Comments at 25.

requirement that SBC/Ameritech submit to an audit of its forthcoming revised state collocation tariffs by a “hand-picked”<sup>97</sup> auditor of its choice having nearly unfettered discretion as to the scope of the audit.<sup>98</sup> This auditor, who alone will see a substantial amount of SBC/Ameritech collocation compliance data due to the far-reaching confidentiality provisions of the Proposed Conditions,<sup>99</sup> will remain totally independent from the Commission, thereby ensuring that “the Commission would surrender to the very company it is regulating the Condition’s principal enforcement mechanism – without retaining any final review – on a critical provision of the Act it administers.”<sup>100</sup>

The Proposed Conditions provide no mechanism for either Commission or CLEC participation in the audit process that will act as a counterbalance to SBC/Ameritech’s control of its own review.<sup>101</sup> Were the Commission to ratify these provisions, it would never receive an accurate report of SBC/Ameritech’s practical, day-to-day collocation practices, because those parties that are most knowledgeable of SBC/Ameritech practices will be denied an opportunity to present their experience to the auditor. At most, the Commission will perform a “review by proxy”<sup>102</sup> that has been skewed in favor of the entity that created it. The Commission should thus remove the cloak of secrecy that SBC would give its “independent” audit and instead impose a system whereby the Commission Staff will review all SBC/Ameritech state collocation tariffs in a forum that invites interested parties to comment. In addition, the Commission should

---

<sup>97</sup> MCI WorldCom Comments at 26.

<sup>98</sup> AT&T Comments at 30-31; Covad Comments at 26-27.

<sup>99</sup> “The preliminary audit requirements shall be afforded confidential treatment in accordance with the Commission’s normal processes and procedures.” Conditions ¶ 6.a.

<sup>100</sup> AT&T Comments at 31. *See also* ALTS Comments at 11.

<sup>101</sup> Rhythms Comments at 30; ALTS Comments at 11; AT&T Comments at 29; Focal Comments at 16; MCI WorldCom Comments at 26; NextLink Comments at 30; Covad Comments at 27-28.

<sup>102</sup> “Rather, the Merger Conditions provide at best for Commission review by proxy: an independent auditor, hired and funded by SBC, will provide Commission Staff with a report as to the content of SBC collocation tariffs within 10 months of the closing date.” Rhythms Comments at 29.

impose the condition that SBC/Ameritech immediately file, prior to merger closing, a federal collocation tariff that fully complies with the collocation directives in the *Advanced Services Order* and is available to all CLECs operating in SBC/Ameritech states.<sup>103</sup>

The third flaw in the proposed collocation compliance plan is the lack of meaningful regulatory penalties for SBC/Ameritech's failure to comply fully with the collocation rules in the *Advanced Services Order*.<sup>104</sup> These penalties should include, as MCI WorldCom proposes, "substantial and automatic financial consequences."<sup>105</sup> Further, they should attach in any case in which SBC/Ameritech fails to implement any of the collocation provisioning rules adopted in the *Advanced Services Order* as well as failure to adopt cost-based collocation pricing in accordance with long-standing Commission rules.<sup>106</sup>

SBC's Proposed Conditions presently include performance measurements for collocation provisioning that track only the percentage of missed collocation delivery intervals.<sup>107</sup> Notwithstanding the fact that these measurements appear to have been "borrowed" from another proceeding in which only Southwestern Bell Telephone ("SWBT") participated, they do not contemplate SBC/Ameritech performance measurements in terms of how quickly or widely it made additional collocation arrangements such as adjacent collocation or rack-by-rack physical collocation available to CLECs according to the Commission's latest requirements.<sup>108</sup> Nor is there any mention in the Proposed Conditions of SBC/Ameritech pricing standards for collocation. These conditions thus fail even to acknowledge SBC/Ameritech's federal collocation obligations, let alone provide any enforcement mechanism.

---

<sup>103</sup> Rhythms Comments at 30.

<sup>104</sup> Rhythms Comments at 30; AT&T Comments at 32-34; MCI WorldCom Comments at 27.

<sup>105</sup> MCI WorldCom Comments at 27.

<sup>106</sup> Collocation rates must be cost-based according to TELRIC principles. *First Report and Order*, 11 FCC Rcd. at 15,816 ¶ 628.

<sup>107</sup> Conditions, Attachment A-2.

The Commission should adopt conditions that specifically delineate SBC/Ameritech's obligations with respect to both collocation facilities and collocation prices, including penalties that incent SBC/Ameritech to comply with its obligations both before and after the merger. The Commission should also explicitly state that any further Commission rulemaking concerning collocation provisioning will be binding on SBC/Ameritech even after full compliance with the collocation requirements included in these conditions.

---

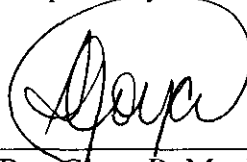
<sup>108</sup> *Advanced Services Order ¶¶ 43-44.*

## CONCLUSION

For all these reasons, the Commission should reject SBC's Proposed Conditions. If it approves the SBC/Ameritech merger, the Commission should fashion alternative conditions such as those proposed by Rhythms, that at a minimum:

- (1) require SBC and Ameritech to establish fully separate affiliates for the provision of advanced services as a precondition to merger approval;
- (2) reject, or significantly reduce, SBC's proposed loop "conditioning" charges in accordance with cost-based TELRIC principles;
- (3) require SBC to provide line sharing to all CLECs immediately, with the condition that SBC cannot serve new DSL customers through line sharing until it complies with this mandate;
- (4) require SBC to provide comprehensive loop characteristic information to CLECs immediately using the most advanced interface presently available to either SBC or Ameritech, with the additional requirement that all such information be available via fully automated Electronic Database Interface within 6 months of Merger Closing Date; and
- (5) require SBC/Ameritech to file revised state and federal collocation tariffs that comply with the Advanced Services Order, and implement a Commission review process of these tariffs in a public proceeding with opportunity for public comment.

Respectfully submitted,



By: ~~Glenn B. Manishin~~  
Christy C. Kunin  
Stephanie A. Joyce  
Blumenfeld & Cohen – Technology Law Group  
1615 M Street, N.W., Suite 700  
Washington, D.C. 20036  
202.955.6300  
202.955.6460 fax  
<glenn@technologylaw.com>

Jeffrey Blumenfeld  
Vice President and General Counsel  
Rhythms NetConnections Inc.  
6933 South Revere Parkway  
Englewood, CO 80112  
303.476.2222  
303.476.5700 fax  
<jeffb@rhythms.net>

Dated: July 26, 1999

## CERTIFICATE OF SERVICE

I, Leslie LaRose, do hereby certify that on this 26th day of July, 1999, I have served a copy of the foregoing document via \* messenger and U.S. Mail, postage pre-paid, to the following:



Leslie LaRose

\*Chairman William E. Kennard  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8B-201  
Washington, D.C. 20554

\*Commissioner Susan Ness  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8B-115  
Washington, D.C. 20554

\*Commissioner Harold Furchtgott-Roth  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8A-302  
Washington, D.C. 20554

\*Commissioner Gloria Tristani  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8C-302  
Washington, D.C. 20554

\*Commissioner Michael Powell  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8A-204  
Washington, D.C. 20554

\*Dorothy Atwood  
Legal Advisor to Chairman Kennard  
Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8B-201  
Washington, D.C. 20554

\*Linda Kinney  
Legal Advisor to Commissioner Ness  
Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8B-115  
Washington, D.C. 20554

\*William Bailey  
Legal Advisor to Commissioner Furchtgott-Roth  
Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8A-302  
Washington, D.C. 20554

\*Sarah Whitesell  
Legal Advisor to Commissioner Tristani  
Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8A-204  
Washington, D.C. 20554

\*Kyle Dixon  
Legal Advisor to Commissioner Powell  
Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8C-302  
Washington, D.C. 20554

\*Kathy Brown  
Chief of Staff, Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8B-201  
Washington, D.C. 20554

\*Janice M. Myles  
Policy and Program Planning Division  
Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 5-C327  
Washington, D.C. 20554

Richard Hetke  
Senior Counsel  
Ameritech Corporation  
30 South Wacker Street, 39<sup>th</sup> Floor  
Chicago, IL 60606

Lisa B. Smith  
Lisa R. Youngers  
MCI WorldCom, Inc.  
1801 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

Richard L. Wile  
Executive Director - Interim  
The Cornerstone Partnership  
5347 Plymouth Avenue  
St. Louis, MO 63133-1909

Steven Gorosh  
Michael Olsen  
Glenn Harris  
Northpoint Communications, Inc.  
222 Sutter Street, 7<sup>th</sup> Floor  
San Francisco, CA 94108

Brian Conboy  
Thomas Jones  
Time Warner Telecom Holdings, Inc.  
Willkie Farr & Gallagher  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20036

\*Robert Atkinson  
Deputy Chief, Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 5-C356  
Washington, D.C. 20554

\*ITS  
1231 20<sup>th</sup> Street, N.W.  
Washington, D.C. 20036

Paul K. Mancini  
General Attorney and Asst. General Counsel  
SBC Communications Inc.  
175 E. Houston Street  
San Antonio, TX 78205

Anthony C. Epstein  
MCI WorldCom, Inc.  
Steptoe & Johnson, LLP  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036

A. Robert Metzger, Jr.  
Charles W. Logan  
Northpoint Communications, Inc.  
Lawler, Metzger & Milkman, LLC  
1909 K Street, N.W. Suite 820  
Washington, D.C. 20006

Thomas M. Koutsy  
Covad Communications Company  
700 13<sup>th</sup> Street, N.W., Suite 950  
Washington, D.C. 20005

Laurence E. Harris  
David S. Turetsky  
Terri B. Natoli  
Telignet, Inc.  
8065 Leesburg Pike, Suite 400  
Vienna, VA 22182

Robert G. Berger  
Joseph M. Sandri, Jr.  
Russell C. Merebeth  
Winstar Communications, Inc.  
1146 19<sup>th</sup> Street, N.W., Suite 200  
Washington, D.C. 20036

Philip L. Verveer  
Gunnar D. Halley  
Winstar Communications, Inc.  
Willkie Farr & Gallagher  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20036

Angie Kronenberg  
Winstar Communications, Inc.  
Willkie Farr & Gallagher  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20036

Leon M. Kestenbaum  
Craig D. Dingwall  
Sprint Communications Company, L.P.  
1850 M Street, N.W., Suite 1100  
Washington, D.C. 20036

Jay T. Angelo  
Sprint Communications Company, L.P.  
Willkie Farr & Gallagher  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20036

Sue D. Blumenfeld  
A. Renee Callahan  
Sprint Communications Company, L.P.  
Willkie Farr & Gallagher  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20036

Mark C. Rosenblum  
Roy E. Hoffinger  
AT&T Corp.  
295 North Maple Avenue  
Room 3252G3  
Basking Ridge, NJ 07920

David W. Carpenter  
Peter D. Keisler  
AT&T Corp.  
Sidley & Austin  
One First Chicago Plaza  
Chicago, IL 60603

Stephen C. Garavito  
AT&T Corp.  
295 North Maple Avenue  
Room 3252G3  
Basking Ridge, NJ 07920

James P. Young  
AT&T Corp.  
Sidley & Austin  
One First Chicago Plaza  
Chicago, IL 60603

Emily M. Williams  
Association for Local  
Telecommunications Services  
888 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20006

Eric J. Branfman  
Antony Richard Petrilla  
Corecomm Ltd.  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007-5116

Debbie Goldman  
George Kohl  
Communications Workers of America  
501 Third Street, N.W.  
Washington, D.C. 20001

Jonathan E. Canis  
Michael B. Hazzard  
Metromedia Fiber Network Services, Inc.  
Kelley Drye & Warren, LLP  
1200 Nineteenth Street, N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

Judith St. Ledger-Roty  
Paul Madison  
Paging Network, Inc.  
Kelley Drye & Warren, LLP  
1200 Nineteenth Street, N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

John M. Lambros  
Paging Network, Inc.  
Kelley Drye & Warren, LLP  
1200 Nineteenth Street, N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

Joseph Meissner  
Parkview Areawide Seniors  
Urban Development Office  
Cleveland Legal Aid Society  
1223 West 6<sup>th</sup> Street  
Cleveland, OH 44113

Charles R. Naftalin  
TDS Metrocom  
Koteen & Naftalin, L.L.P.  
1150 Connecticut Avenue, N.W.  
Washington, D.C. 20036

Richard Geltman  
General Counsel  
American Public Power Association  
2301 M Street, N.W.  
Washington, D.C. 20037

Michael E. Katzenstein  
Vice-President and General Counsel  
Optel, Inc.  
1111 W. Mockingbird Lane  
Dallas, TX 75247

Chad Hazam  
President  
National ALEC Association  
2150 Herr Street  
Harrisburg, PA 17103

Richard Dodd  
Jim Blitz  
Nextlink Communications  
Davis, Wright & Tremaine  
1155 Connecticut Avenue, N.W.  
Washington, D.C. 20036

William B. Barfield  
Jonathan Banks  
BellSouth  
1155 Peachtree Street, N.E., Suite 1800  
Atlanta, GA 30309-3910

Alexander J. Eucare, Jr.  
Power-Finder West Communications, LLC  
9250 Gaither Road  
Gaithersburg, MD 20877

James Baller  
Sean A. Stokes  
American Public Power Association  
The Baller Herbst Law Group, P.C.  
1820 Jefferson Place, Suite 200  
Washington, D.C. 20036

W. Kenneth Ferree  
Sheryl J. Lincoln  
Optel, Inc.  
Goldberg, Godles, Weiner & Wright  
1229 Nineteenth Street, N.W.  
Washington, D.C. 20036

Ntegrity Telecontinent Services, Inc.  
250 South President Street  
First Floor  
Baltimore, MD 21202

Andrew D. Lipman  
Patrick J. Donovan  
Level 3 Communications, Inc.  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007-5116

William P. Hunt, III  
Regulatory Counsel  
Level 3 Communications, Inc.  
1450 Infinite Drive  
Louisville, CO 80027

Susan W. Smith  
Director -- External Affairs  
Centurytel Wireless, Inc.  
3505 Summerhill Road  
No. 4 Summer Place  
Texarkana, TX 75501

Kenneth E. Hardman  
Trillium Cellular Corp.  
Moir & Hardman  
1828 L Street, N.W., Suite 901  
Washington, D.C. 20036-5104

Jacob S. Farber  
ICG Communications, Inc.  
Dickstien Shapiro Morin & Oshinsky, LLP  
2101 L Street, N.W.  
Washington, D.C. 20037-1526

Cindy Z. Schonhaut  
Executive Vice President of Govt. &  
Corporate Affairs  
ICG Communications, Inc.  
161 Inverness Drive W., 6<sup>th</sup> Floor  
Englewood, CO 80112

Paul B. Hudson  
GST Telecom, Inc. KMC Telecom, Inc., Logix  
Comm. Corp., & RCN Telecom Services  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007

Jonathan E. Canis  
Michael B. Hazzard  
Allegiance Telecom, Inc.  
Kelley Drye & Warren, LLP  
1200 Nineteenth Street, N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

Karlyn D. Stanley  
Centennial Cellular Corp.  
Cole Raywid & Braverman, LLP  
1919 Pennsylvania Avenue N.W., Suite 200  
Washington, D.C. 20006

Mark J. Burzych  
Thumb Cellular Limited Partnership  
Foster Swift Collins & Smith, PC  
313 South Washington Square  
Lansing, MI 48933-2193

Albert H. Kramer  
Robert F. Aldrich  
ICG Communications, Inc.  
Dickstien Shapiro Morin & Oshinsky, LLP  
2101 L Street, N.W.  
Washington, D.C. 20037-1526

Ellis Jacobs  
Edgemont Neighborhood Coalition and The  
Low Income Coalition  
Legal Aid Society of Dayton  
333 West First Street, Suite 500  
Dayton, OH 45402

Patrick J. Donovan  
GST Telecom, Inc. KMC Telecom, Inc., Logix  
Communications Corp., and RCN Telecom Services  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007

Winafred R. Brantl  
Allegiance Telecom, Inc.  
Kelley Drye & Warren, LLP  
1200 Nineteenth Street, N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

Robert L. Hoggarth  
Angela E. Giancarlo  
Personal Communications Industry Association  
500 Montgomery Street, Suite 700  
Alexandria, VA 22314-1561

Robert S. Tongren  
David C. Bergmann  
Ohio Consumers' Counsel  
77 South High Street, 15<sup>th</sup> Floor  
Columbus, OH 43266-0550

David J. Newburger  
Campaign for Telecommunications  
Access and 51 Participating Commenters  
Newburger & Vossmeier  
One Metropolitan Square, Suite 2400  
St. Louis, MO 63102

Eric J. Branfman  
Morton J. Posner  
CTC Communications Corp.  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007

Richard M. Rindler  
Focal Communications Corp., Adelphia  
& McLeod Telecommunications Services  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007

Michael R. Romano  
Focal Communications Corp., Adelphia  
& McLeod Telecommunications Services  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007

Stephen J. Davis  
Chief, Office of Policy Development  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

Bill Callahan  
Executive Director  
Stockyard Area Development Assoc.  
6209 Storer Avenue  
Cleveland, OH 44102

Martin A. Corry  
Director, Federal Affairs  
AARP  
601 E Street, N.W.  
Washington, D.C. 20049

Carol Ann Bischoff  
Executive Vice President and Gen. Counsel  
Competitive Telecommunications Association  
1900 M Street, N.W., Suite 800  
Washington, D.C. 20036

Indiana Regulatory Utility Commission  
Telecommunications Division  
302 West Washington Street, Suite E306  
Indianapolis, IN 46204

Danny E. Adams  
Steven A. Augustino  
The Alarm Industry Communications Committee  
Kelley Drye & Warren, LLP  
1200 Nineteenth Street, N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

Melissa M. Smith  
The Alarm Industry Communications Committee  
Kelley Drye & Warren, LLP  
1200 Nineteenth Street, N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

Jim Boyle  
Texas Rural Municipal Electric Utilities  
Law Offices of Jim Boyle  
1005 Congress Avenue, Suite 550  
Austin, TX 78701

Walter Steimel, Jr.  
Pilgrim Telephone, Inc.  
Hunton & Williams  
1900 K Street, 12<sup>th</sup> Floor  
Washington, D.C. 20006

Suzanne Lagomarcino  
OWL, The Voice of Midlife and Older  
Women  
438 North Skinner  
St. Louis, MO 63130

LaVaughn Caradine  
Caradine Realty  
965 Hamilton  
St. Louis, MO 63112

Rachel J. Rothstein  
Brent M. Olson  
Cable & Wireless USA, Inc.  
8219 Leesburg Pike  
Vienna, VA 22182

Eva Powers  
Counsel for Kansas Commission Staff  
1500 SW Arrowhead  
Topeka, KS 66604

Stephen Hoyt  
St. Louis Gateway SeniorNet  
11722 Studt Avenue, Suite 102  
St. Louis, MO 63141-7075

Ollie Stewart  
Executive Director  
Southside Wellness Center  
3017 Park Avenue  
St. Louis, MO 63104

Betty D. Montgomery  
Steven T. Nourse  
Public Utilities Commission of Ohio  
Public Utilities Section  
180 E. Broad Street  
Columbus, OH 43215

Lynda L. Dorr  
Public Service Commission of Wisconsin  
610 North Whitney Way  
P.O. Box 7854  
Madison, WI 53707-7854

Armando V. Pomar  
League of United Latin American  
Citizens  
948 S.W. 82<sup>nd</sup> Avenue  
Miami, FL 33144

James P. Firman  
President and CEO  
The National Council on the Aging  
409 Third Street, S.W.  
Washington, D.C. 20224

Suzanne McCormick  
Arkansas Public Service Commission  
1000 Center Street  
P.O. Box 400  
Little Rock, AR 72203-0400

Tommy Ortiz  
Director  
Puerto Rico Federal Affairs  
6610 Meadow Fawn  
Convern, TX 78109

Nichie Lang  
1101 Homestaed Avenue  
Hallista, CA 95023

Richard Jambrano  
11420 Cherry Ridge Court  
Dallas, TX 75229

Permin Dointo  
4875 Cuartel  
El Paso, TX 79912